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Appendix 4

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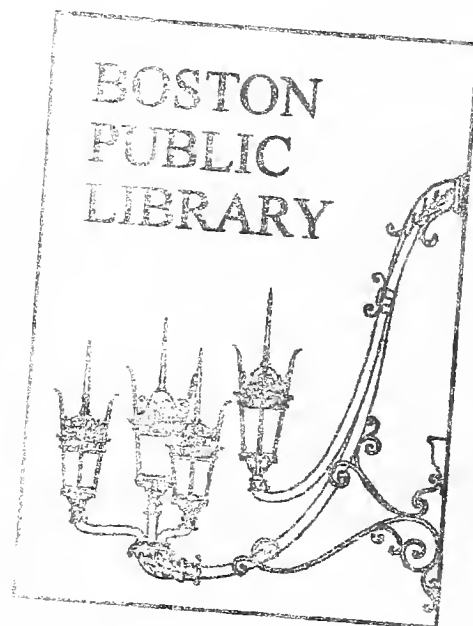
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The Characteristics of Boston's Convention Market



A Phone Survey

3/79

Boston Redevelopment Authority

THE CHARACTERISTICS OF BOSTON'S CONVENTION MARKET

BACKGROUND

The Boston Redevelopment Authority evaluated various options for expanding Boston's convention business: enlarging Hynes or building a new facility. One alternative, enlarging Hynes was chosen based upon assumptions which were made as to the number and size of convention groups which constituted Boston's potential market and the frequency with which they were interested in coming to Boston. (see BRA report, Expanding Boston's Convention Facilities.)

In order to test these assumptions, a phone survey was undertaken in March, 1979, of a random sample of 139 groups which had or would come to Boston, given the present and/or expanded facilities.

CONCLUSION

The results of this survey confirm the market interest in an expanded Hynes and the limited need for a new, larger facility.

1. One half of the groups that presently utilize Hynes will not be able to return because they will have outgrown its facilities and in addition will require more hotel rooms.
2. An expanded Hynes will enable Boston to almost double the number of shows annually; 45 vs. 25.
3. If Boston is to enlarge its meeting market two-thirds of the groups will require hotels as well as meeting space.
4. Enlarged facilities will attract the same type of groups, professional, medical, engineering, as currently come to Hynes. There will not be a significant increase in trade or gate shows as a result of the expansion.

DATA COLLECTION

Table One, Population and Sample by Group Type and Size, sub-divides the population of 520 groups into seven types of meeting and further sub-divides these groups into three size categories, A, B, C. Groups in "A" were those which could be accommodated in Hynes; groups in "B" were those to be accommodated in an expanded Hynes containing 250,000 square feet of exhibit space and 5,000 seat auditorium; and groups in "C" were those which required more than 250,000 square feet of exhibit space and 5,000 seat auditorium. A telephone survey of these 139 groups was carried out (table 2).

The results of the surveys were tabulated and recorded on a coding sheet and in-putted into a BRA computer terminal where a one way frequency and a number of cross tabulations were run.

Due to inconsistencies in the Questionnaire and coding format and multiple responses to a given question, considerable work was required to disaggregate the data. For this reason, the totals for groups desiring to come to Boston with expanded facilities are not exactly the same in all cases. (See Table 4 vs. Table 5).

Furthermore, because of the limited size of the telephone sample relative to the population of groups being considered for an expanded Hynes (45 vs. 130 groups), some of the conclusions which follow about the number and types of groups which would come with a larger facility must be considered tentative. A more comprehensive survey and analysis of a larger sample is needed.

HIGHLIGHTS

1. The number of convention groups interested in coming to Boston is significantly smaller than initially assumed.

A preliminary assumption of the Convention Bureau and the BRA was that 389 convention groups (See Table 1, column 1) would be interested in coming to the present Hynes and they would come once every ten years.

A review of past bookings indicates that only 60% of this total have ever come to Hynes.

The lack of interest in coming to Hynes by a large percentage of the potential population was confirmed by the sample survey, Table 3. Only 35 of the 93 groups sampled which could be accommodated at Hynes, or 35% would consider coming to Boston.

2. With Expanded Facilities, Boston Could Attract 60% of the 520 Shows Which were Identified as Having an Interest in Coming to Hynes.

Of the sample of 139 groups;

83 stated a desire to come to Boston (with largest possible facility) (Table 5)

56 groups stated that they would not come to Boston even with improved facilities.

3. Forty Percent of the Groups Identified (56/139) Which Were Assumed To Have an Interest in Coming to Boston Indicated that They Would Not Come to Boston Even With Improved Facilities.

The reasons given by the 56 groups which stated that they would not come to Boston with expanded facilities are identified below. Some groups gave multiple answers (Table 2).

Uncontrolled Factors:

Location: 24
Competition: 30
Other: 20

Controllable:

Rental Rates: 3
Service: 4

4. Without New Facilities (Hotels and Meeting Space) Hynes Will Lose One Half of Its Meeting Market.

New facilities are needed now in order to ensure that those groups which have been to Hynes will return. Of the 41 groups which the phone survey indicated have or will book conventions in the next ten years one half or 21 groups would need additional facilities if they are to return to Boston. (Table 5).

5. New Facilities are Needed in Order to Attract The Larger Show Market

The survey identified 38 groups in addition to the 41 groups which currently plan to come to Hynes which would be interested in Boston if the facilities were expanded (see Table 5). Thus, if Hynes is expanded as proposed, it would be able to almost double the number of groups which presently come to Boston.

6. An Expanded Hynes Might Attract Almost Twice the Number of Meetings as Currently Exist (45 vs. 25 annually)

The data indicated that with improved hotel and meeting facilities 77 groups would generate 113 meetings in a 10-year period. (Table 5). Since the sample (139/520) represents 25% of the population, one might conclude that 45 meetings per year would be held at Hynes with larger facilities ($\frac{4 \times 113 \text{ meetings}}{10 \text{ years}}$).

7. Maintaining a High Occupancy Rate Now and in the Future Will Depend Upon Repeat Business.

In the past ten years, 235 groups came to Hynes, a total of 315 times or a ratio of repeat business of 1.34. The phone survey indicated a higher ratio of repeat business: 41 groups would account for 72 shows or a ratio of 1.8 meetings per group (Table 3). The estimated ratio of repeat business for an expanded Hynes is 1.8 (139/77).

8. Boston Will Have to Improve Its Hotel As Well as Exhibit Facilities In Order to Retain the Existing Groups and Attract A Larger Meeting Market.

Of the 83 groups interested in coming to Boston, 27% will require hotel rooms only; 65% will require hotel rooms and exhibit space; and 8% will require exhibit space only.

9. In Terms of Convention Facilities, the Greatest Need Was For Meeting Rooms, Followed by Hotel Rooms, Exhibit Space, and an Enlarged Auditorium. Only one Group Identified a Need for Parking.

<u>Convention Facilities Needed</u>	<u>Number</u>	<u>%</u>
Meeting Rooms	39	47
Auditorium (5,000 + seats)	7	8
Exhibit space	19	24
Parking	1	1
Hotel Rooms, only	17	20
	83	100%

10. The Profile of Convention Groups by Type of Groups Which Would Come to Boston with Improved Facilities Would Not, with the Exception of Engineering, Change Significantly.

The profile of groups which presently utilize Hynes are rank ordered below in terms of frequency of coming to Boston;

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<http://www.archive.org/details/characteristicso00bost>

1. Professional and Medical
2. Educational, Engineering, Specialized Business
3. Trade and Other

With improved facilities, Boston could capture a higher percentage of engineering groups but would otherwise retain the same profile. The supporting data for this conclusion is included in the appendix (Tables 6, 7).

11. The Expansion of Hynes Would Enable Boston to Capture A Significantly Larger Percentage of Engineering Groups, but Would Not Enable Boston to Significantly Enlarge Its Percentage of Medical, Trade and Other Groups.

An expanded Hynes would not result in an increase of equal proportions of groups within each class. In spite of the larger number of trade and medical groups in the population of 520 groups (see Table 1), these types do not appear as interested in coming to Boston with improved facilities. Trade shows want in general to hold their shows in large metropolitan areas such as New York City or Chicago. Medical groups appear most interested in locations with a temperate climate. Engineering groups, on the other hand, appeared to have the most interest in coming to Boston with improved facilities.

12. If Boston built a Facility capable of handling the largest groups (type C, see Table 5), Boston would not capture a significantly larger number of shows.

Table 4 indicates that 66% of the Type C groups (require facility larger than proposed Hynes expansion) would come to Boston if space was available. While this represents a high proportion of the sample (6/10), the total number of groups in this size class (34) does not represent a large market. In addition, the rate of return of these type C groups, almost twice in a 10-year period (i.e., 11 meetings generated by six groups), is not significantly different from the ratio of return of type A and B groups. Expanding Hynes, therefore, to capture the type C groups does not appear to be a viable option. The number and frequency of groups and meetings generated by these groups is inadequate to justify the improvement.

TABLE 1

CONVENTION GROUPS/TYPE POPULATION (P) AND SAMPLES (S)
SIZE BY SIZE

Number	Convention Group Type	S I Z E							
		A		B		C		Total	
		P	S	P	S	P	S	P	S
1	Education	45	16	7	6	2	0	54	22
2	Engineering	41	17	7	2	3	2	51	21
3	Professional	36	19	3	3	3	2	41	24
4	Medical	78	17	20	12	2	1	100	30
5	Specialized Business	40	8	7	4	3	1	51	13
6	Trade	83	8	49	6	13	2	145	16
7	Other	66	9	3	2	9	2	78	13
TOTAL		389	94	96	35	34	10	520	139

Group Number _____
 Group Name _____
 Contact _____

Table 2

Hello, I'm _____ of the Boston Redevelopment Authority. I am undertaking a survey of convention groups as part of a study evaluating the expansion of Boston's convention facilities. I would like to ask you a few brief questions.

1. Have you ever held a convention in Boston?

Yes 48 No 91

2. Presently, how many conventions do you have booked in Boston until 1989?

One 31 Two 4

Three or more - 4

3. For those meetings which are not booked, how many times do you anticipate meeting in Boston over the next 10 years?

Probably won't 104
 Probably will 13
 Don't know 19

4. If Boston's existing facilities were improved, would you come to Boston more often?

Yes 50 No 42
 Maybe 38 Not applicable 9

5. Assuming you will need additional facilities, when will you need these in order to come to Boston?

Total rooms 69 Location of city 24
 Rent 3 Service 4
 Competition from other cities 30 Other 20

6. Are the facilities which you will require in Boston today about the same as those needed in 1989?

Facilities	Current	1989
Total rooms / # committed	<u>62</u>	<u>72</u>
Meeting rooms / # largest	<u>34</u>	<u>39</u>
Auditorium, # seats	<u>7</u>	<u>7</u>
Exhibit space	<u>18</u>	<u>19</u>
Other	<u>1</u>	<u>1</u>

7. If Boston provides all the facilities as you just projected in 1989, how many meetings might you hold in Boston in the next 10 years?

Probably won't 8
 Probably will 53
 Don't know 24

8. If you could definitely not hold a meeting, why not?

Location 4
 Other 15

9. Could you please answer the following questions concerning your association?

What is your group's attendance 2 6891 5-7027
 What are your parking space requirements 2670
 What is annual growth rate of attendance
 Steady 68
 Up 147
 Not 147

TABLE 3

EXISTING FACILITY

Groups & Meetings that Will and Will Not come to Hynes in a 10 Year Period

<u>Group Size</u>	<u>Number Which Will Come</u>		<u># of Groups Will Not Come</u>
	<u>Groups¹</u>	<u>Meetings²</u>	
A (Hynes)	35	52	58
B (Expanded Hynes)	4	16	32
C (Largest Facility)	2	4	8
TOTAL	41	72	98

Note:

1. Number of Convention groups
2. Number of meetings which this group will generate in 10 year period.

TABLE 4
PROPOSED FACILITY

S = (139)

<u>Group Size</u>	<u>Numbers Which Will Come</u>		<u># Which Will Not Come</u>
	<u>Groups¹</u>	<u>Meetings²</u>	
A (Hynes)	56	101	37
B (Expanded Hynes)	18	45	18
C (Largest Facility)	6	17	4
TOTAL	80	157	59

1 Number of convention groups

2 Number of meetings which this group will generate in 10 year period.

SUMMARY TABLE OF GROUPS/MEETINGS WHICH WILL COME TO BOSTON
WITH EXPANDED FACILITIES

[illegible]

APPENDIX

Explanation of Tables six and seven.

Table six below identifies the seven categories of convention meetings. Columns A, B, C and D indicate four different characteristics of these types. Column A identifies the number of groups within each meeting type which were sampled. For example, 30 medical and only 13 specialized business groups were surveyed. Column B identifies that meeting types' percentage of the total of 139 groups which were sampled. In other words, 22% of the 139 groups were medical, 15% were engineering, etc. Column C identifies the total number of groups within each type, i.e., 54 educational groups and 145 trade groups, etc. Column D represents the percentage of the meeting types; population (A/C) which was sampled. Thus, 55% of the educational groups, but only 11%, of the trade show groups were surveyed.

Utilizing this information (Column B, % of total sample and Column C, samples % of sub groups population), the groups were then ranked in terms of three characteristics in table 7:

Column I: Existing Profile: Ranking of Groups which have been at Hynes.

Column II: Projected Profile: Ranking of Groups which would come to Boston with improved facilities.

Column III: Ranking of Groups which would not come with Improved Facilities.

TABLE 6

CONVENTION MEETING TYPE BY NUMBER SAMPLED AND TOTAL POPULATION

Meeting Type	(A) <u># Sampled</u>	(B) <u>% Of Total Sample</u>	(C) <u>Population Total</u>	(D) <u>Samples % Of Population</u>
Educational	22	16	54	40
Engineering	21	15	51	41
Professional	24	17	41	59
Medical	30	22	100	33
Specialized Business	13	9	51	25
Trade	16	12	145	11
Other	<u>13</u>	<u>9</u>	<u>78</u>	17
TOTAL	139	100%	520	

TABLE 7

RANKING OF CONVENTIONS BY MEETING TYPE IN TERMS OF
THREE CHARACTERISTICS

Group Type	Column					
	Hynes Existing Profile I		Expanded Hynes Projected Profile II		Enlarged Facility Not Interested III	
	<u>B</u>	<u>D</u>	<u>B</u>	<u>D</u>	<u>B</u>	<u>D</u>
Educational	2	6	4	5	4	6
Engineering	2	7	2	1	5	7
Professional	1	2	3	4	3	5
Medical	1	3	1	3	1	2
Specialized Business	2	1	5	2	7	4
Trade	3	5	6	6	2	1
Other	3	4	7	7	3	3

Column B from Table 6, percentage of Total (139) sample.

Column D from Table 6, samples percentage of population.

